
A BILL FOR AN ACT

RELATING TO THE CIVIL MONETARY PENALTY SPECIAL FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 321, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§321- Civil monetary penalty special fund. (a) There
5 is established the civil monetary penalty special fund, to be
6 administered by the department of health. The fund shall
7 consist of moneys collected by the United States Department of
8 Health and Human Services Centers for Medicare and Medicaid
9 Services as federally imposed civil monetary penalty funds when
10 health care facilities or agencies do not meet medicare
11 certification requirements as determined by the department of
12 health when it conducts medicare certification surveys and
13 complaint investigations on health care facilities or agencies
14 in Hawaii in accordance with section 1864 of the Social Security
15 Act. Moneys in the fund shall be expended by the department of
16 health as approved by the Centers for Medicare and Medicaid
17 Services. Not more than \$30,000 of the moneys in the fund may
18 be used during any fiscal year for the activities carried out by



1 the department of health as approved by the Centers for Medicare
2 and Medicaid Services.

3 (b) Pursuant to federal law, civil monetary penalty
4 special fund moneys shall not be subject to deposit into the
5 general fund for any reason.

6 (c) The department of health shall submit a report to the
7 legislature concerning the status of the civil monetary penalty
8 special fund, including the amount of moneys deposited into and
9 expended from the civil monetary penalty special fund, and the
10 sources of receipts and uses of expenditures, no later than
11 twenty days prior to the convening of each regular session."

12 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Except as provided in this section, and
15 notwithstanding any other law to the contrary, from time to
16 time, the director of finance, for the purpose of defraying the
17 prorated estimate of central service expenses of government in
18 relation to all special funds, except the:

19 (1) Special out-of-school time instructional program fund
20 under section 302A-1310;



- 1 (2) School cafeteria special funds of the department of
- 2 education;
- 3 (3) Special funds of the University of Hawaii;
- 4 (4) State educational facilities improvement special fund;
- 5 (5) Convention center enterprise special fund under
- 6 section 201B-8;
- 7 (6) Special funds established by section 206E-6;
- 8 (7) Housing loan program revenue bond special fund;
- 9 (8) Housing project bond special fund;
- 10 (9) Aloha Tower fund created by section 206J-17;
- 11 (10) Funds of the employees' retirement system created by
- 12 section 88-109;
- 13 (11) Hawaii hurricane relief fund established under chapter
- 14 431P;
- 15 (12) Hawaii health systems corporation special funds and
- 16 the subaccounts of its regional system boards;
- 17 (13) Tourism special fund established under section
- 18 201B-11;
- 19 (14) Universal service fund established under section
- 20 269-42;



- 1 (15) Emergency and budget reserve fund under section
2 328L-3;
- 3 (16) Public schools special fees and charges fund under
4 section 302A-1130;
- 5 (17) Sport fish special fund under section 187A-9.5;
- 6 (18) Glass advance disposal fee established by section
7 342G-82;
- 8 (19) Center for nursing special fund under section
9 304A-2163;
- 10 (20) Passenger facility charge special fund established by
11 section 261-5.5;
- 12 (21) Court interpreting services revolving fund under
13 section 607-1.5;
- 14 (22) Hawaii cancer research special fund;
- 15 (23) Community health centers special fund;
- 16 (24) Emergency medical services special fund;
- 17 (25) Rental motor vehicle customer facility charge special
18 fund established under section 261-5.6;
- 19 (26) Shared services technology special fund under section
20 27-43;



1 (27) Automated victim information and notification system

2 special fund established under section 353-136;

3 (28) Deposit beverage container deposit special fund under

4 section 342G-104;

5 (29) Hospital sustainability program special fund under Act

6 217, Session Laws of Hawaii 2012, as amended by Act

7 141, Session Laws of Hawaii 2013;

8 [+](30)[+]Nursing facility sustainability program special fund

9 under Act 156, Session Laws of Hawaii 2012;

10 [+](31) Hawaii 3R's school improvement fund[+] under section

11 302A-1502.4; [and

12 +](32)[+]After-school plus program revolving fund under section

13 302A-1149.5[7]; and

14 (33) Civil monetary penalty special fund under section

15 321- ,

16 shall deduct five per cent of all receipts of all special funds,

17 which deduction shall be transferred to the general fund of the

18 State and become general realizations of the State. All

19 officers of the State and other persons having power to allocate

20 or disburse any special funds shall cooperate with the director

21 in effecting these transfers. To determine the proper revenue



1 base upon which the central service assessment is to be
2 calculated, the director shall adopt rules pursuant to chapter
3 91 for the purpose of suspending or limiting the application of
4 the central service assessment of any fund. No later than
5 twenty days prior to the convening of each regular session of
6 the legislature, the director shall report all central service
7 assessments made during the preceding fiscal year."

8 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Each special fund, except the:

- 11 (1) Transportation use special fund established by section
12 261D-1;
- 13 (2) Special out-of-school time instructional program fund
14 under section 302A-1310;
- 15 (3) School cafeteria special funds of the department of
16 education;
- 17 (4) Special funds of the University of Hawaii;
- 18 (5) State educational facilities improvement special fund;
- 19 (6) Special funds established by section 206E-6;
- 20 (7) Aloha Tower fund created by section 206J-17;



- 1 (8) Funds of the employees' retirement system created by
2 section 88-109;
- 3 (9) Hawaii hurricane relief fund established under section
4 431P-2;
- 5 (10) Convention center enterprise special fund established
6 under section 201B-8;
- 7 (11) Hawaii health systems corporation special funds and
8 the subaccounts of its regional system boards;
- 9 (12) Tourism special fund established under section
10 201B-11;
- 11 (13) Universal service fund established under section
12 269-42;
- 13 (14) Emergency and budget reserve fund under section
14 328L-3;
- 15 (15) Public schools special fees and charges fund under
16 section 302A-1130;
- 17 (16) Sport fish special fund under section 187A-9.5;
- 18 (17) Center for nursing special fund under section
19 304A-2163;
- 20 (18) Passenger facility charge special fund established by
21 section 261-5.5;



- 1 (19) Court interpreting services revolving fund under
2 section 607-1.5;
- 3 (20) Hawaii cancer research special fund;
- 4 (21) Community health centers special fund;
- 5 (22) Emergency medical services special fund;
- 6 (23) Rental motor vehicle customer facility charge special
7 fund established under section 261-5.6;
- 8 (24) Shared services technology special fund under section
9 27-43;
- 10 (25) Nursing facility sustainability program special fund
11 established pursuant to Act 156, Session Laws of
12 Hawaii 2012;
- 13 (26) Automated victim information and notification system
14 special fund established under section 353-136; ~~and~~
- 15 (27) Hospital sustainability program special fund under Act
16 217, Session Laws of Hawaii 2012, as amended by Act
17 141, Session Laws of Hawaii 2013[7]; and
- 18 (28) Civil monetary penalty special fund under section
19 321- ,



1 shall be responsible for its pro rata share of the
2 administrative expenses incurred by the department responsible
3 for the operations supported by the special fund concerned."

4 SECTION 4. There is appropriated out of the civil monetary
5 penalty special fund the sum of \$ or so much thereof
6 as may be necessary for fiscal year 2015-2016 for the purposes
7 approved by the Centers for Medicare and Medicaid Services.

8 The sum appropriated shall be expended by the department of
9 health for the purposes of this Act.

10 SECTION 5. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 6. This Act shall take effect on June 29, 2015;
13 provided that:

14 (1) Section 4 shall take effect on July 1, 2015;

15 (2) The amendments made to section 36-27(a), Hawaii
16 Revised Statutes, in section 2 of this Act shall not
17 be repealed when section 36-27(a), Hawaii Revised
18 Statutes, is repealed and reenacted on:

19 (A) June 30, 2015, pursuant to section 34(3) of Act
20 79, Session Laws of Hawaii 2009; and



1 (B) December 31, 2015, pursuant to section 7(3) of
2 Act 124, Session Laws of Hawaii 2014; and
3 (3) The amendments made to section 36-30(a), Hawaii
4 Revised Statutes, in section 3 of this Act shall not
5 be repealed when section 36-30(a), Hawaii Revised
6 Statutes, is repealed and reenacted on:
7 (A) June 30, 2015, pursuant to section 34(3) of Act
8 79, Session Laws of Hawaii 2009; and
9 (B) December 31, 2015, pursuant to section 7(3) of
10 Act 124, Session Laws of Hawaii 2014.



Report Title:

Civil Monetary Penalty Special Fund; Medicare Penalties;
Appropriation

Description:

Establishes a special fund to deposit moneys from federal fines assessed against skilled nursing facilities and home health agencies during inspections conducted by the Department of Health on behalf of the U.S. Centers for Medicare and Medicaid Services. Appropriates funds to DOH. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

